

STATE SENATOR • GILDA Z. JACOBS • 14<sup>TH</sup> DISTRICT

# Jacobs Press Release

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## **GOVERNOR GRANHOLM VETOS PAYDAY LENDING BILL Jacobs: QUOTE**

LANSING—State Senator Gilda Jacobs (D-Huntington Woods) praised today Gov. Granholm's veto of the Payday Lending bill, claiming that the service fees associated with such loans are exorbitant and violate the state's usury laws.

"While the bill attempted to add controls to the payday lending industry, it simply did not go far enough," said Jacobs. "We believe that Michigan residents are entitled to utilize payday loan services, but only if those services are offered in a fair, affordable and open manner. We are dedicated to protecting the best interests of Michigan consumers and this bill did not meet those criteria."

Payday loan services allow customers to borrow up to \$500 against future paychecks, charging the customer a fee for the loan. The loan services have gained in popularity since 1990, but have remained largely unregulated, opening the door for exorbitant transaction fees.

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*State Senator Gilda Jacobs represents the 14<sup>th</sup> Senate District, which includes Farmington, Farmington Hills, Ferndale, Hazel Park, Huntington Woods, Lathrup Village, Oak Park, Pleasant Ridge, Royal Oak Township, and Southfield. She is the Minority Vice Chair of the Families & Human Services Committee and the Economic Development, Small Business & Regulatory Reform Committee. She also serves on the Government Operations and Health Policy Committees.*